E. RENEWAL EXPECTANCY

61. The relevant time period for purposes of determining RBI's entitlement to a renewal expectancy is the period from August 1, 1989 to August 1, 1994. *Order*, FCC 99M-47, released August 9, 1999. 23/

(1) PROGRAMMING PERFORMANCE OF STATION WTVE(TV)

- 62. The record contains a detailed analysis of the programming performance of Station WTVE(TV) over the course of the license term, based on review of program logs and other station-generated materials for a series of "composite weeks" for each of the five years during the license term. Adams Exhs. 2-7. The "composite weeks" utilized in Adams's analysis were derived from a "composite week" which the Commission had designated for use in assessing the historical performance of renewal applicants. See Composite Week Dates For The Annual Programming Report, 69 F.C.C.2d 1808, 1978 FCC LEXIS 1093 (1978). That week consisted of the following dates: October 1; January 20; February 25; March 13; April 6; May 24; and July 18.
- 63. The composite weeks to be used in the analysis of the 1989-1994
 WTVE(TV) performance were then identified for each of the five years in the license term

Since Adams's application was filed on June 30, 1994, that date marks the end of any programming performance upon which RBI can properly rely. See RKO General, Inc., 35 F.C.C.2d at 103 ("it would not serve the purposes of the Communications Act to allow a licensee, who had a full opportunity to demonstrate its capabilities during the license term, to upgrade its programming showing by efforts after the renewal application has been challenged."). Adams has not objected to the Presiding Judge's inclusion of the month of July, 1994 in the relevant license term because Adams does not believe that anything RBI did during that month redeems its less-than-minimal performance prior to the filing of Adams's application. However, Adams objects to the awarding to RBI of any positive credit for any activities occurring after June 30, 1994.

by using the Commission-designated dates, revising them only to the extent necessary to avoid duplication of any particular day of the week (e.g., two Mondays, but no Tuesdays) in any composite week. When such duplication occurred, one of the duplicative dates was changed to the next nearest date which would result in a full seven-day composite week. For example, in each of the composite weeks, October 1 and February 25 fell on the same day of the week; accordingly, in each case February 25 was revised to February 26 (or, in 1991-92, to February 27) to eliminate the duplication. In the 1991-92 year April 6 was also revised to April 8 to avoid a similar duplication.

64. The resulting 35 (i.e., one seven-day composite week for each of the five years of the license term) composite week dates analyzed were:

1989-1990: Sunday, October 1, 1989 Monday, February 26, 1990 Tuesday, March 13, 1990 Wednesday, July 18, 1990 Thursday, May 24, 1990 Friday, April 6, 1990

Saturday, January 20, 1990

1990-1991: Sunday, January 20, 1991 Monday, October 1, 1990 Tuesday, February 26, 1991 Wednesday, March 13, 1991 Thursday, July 18, 1991 Friday, May 24, 1991 Saturday, April 6, 1991

1991-1992: Sunday, May 24, 1992 Monday, January 20, 1992 Tuesday, October 1, 1991 Wednesday, April 8, 1992 Thursday, February 27, 1992 Friday, March 13, 1992 Saturday, July 18, 1992 1992-1993: Sund

Sunday, July 18, 1993 Monday, May 24, 1993 Tuesday, April 6, 1993

Wednesday, January 20, 1993 Thursday, October 1, 1992 Friday, February 26, 1993 Saturday, March 13, 1993

1993-1994:

Sunday, March 13, 1994 Monday, July 18, 1994 Tuesday, May 24, 1994 Wednesday, April 6, 1994 Thursday, January 20, 1994 Friday, October 1, 1993 Saturday, February 26, 1994

(a) QUANTITATIVE ANALYSIS

65. The program logs and other programming-related information, including programming records of Station WTVE(TV) and deposition testimony of station personnel, for each of the composite weeks were reviewed and analyzed, based on the "Type" classifications set out in the logs. Adams Exh. 2, Appendix A. Since the logs were prepared by RBI personnel contemporaneously with the broadcasts reflected in the logs, they provide the most reliable characterization of the programming broadcast by the station on the dates in question. To the extent that the logs did not, in some instances, contain sufficient information to determine the "source" (*i.e.*, network, local, or other) of any particular program entry, reference was made to other information obtained from RBI. See id.

66. Review of the logs and other programming-related information provides the quantitative information about the station's programming set out in the following tables:

Hours of Operation During Composite Weeks	
1989-1990	167:30
1990-1991	168:00
1991-1992	168:00
1992-1993	168:00
1993-1994	165:00
TOTAL HOURS OF OPERATION FOR ALL COMPOSITE WEEKS	836:30

Total Hours/Minutes of News Programs Regardless of Source (<i>i.e.</i> , Station-produced or Non-station-produced)		
Year	Hours/Minutes	Percentage of Total Hours of Operation
1989-1990	0:14	0.14%
1990-1991	0	0%
1991-1992	0	0%
1992-1993	0	0%
1993-1994	0	0%
TOTAL NEWS PROGRAMS FOR ALL COMPOSITE WEEKS	0:14	0.06%

Total Hours/Minutes of Public Affairs Programs Regardless of Source (<i>i.e.</i> , Station-produced or Non-station-produced)		
Year	Hours/Minutes	Percentage of Total Hours of Operation
1989-1990	0	0%
1990-1991	0	0%
1991-1992	0	0%
1992-1993	0:30	0.29%
1993-1994	0:29	0.3%
TOTAL PUBLIC AFFAIRS PROGRAMMING FOR ALL COMPOSITE WEEKS	0:59	0.11%

TOTAL HOURS/MINUTES OF STATION-PRODUCED NON-ENTERTAINMENT PROGRAMS OF ANY KIND		
Year	Hours/Minutes	Percentage of Total Hours of Operation
1989-1990	0:14	0.14%
1990-1991	0	0%
1991-1992	0	0%
1992-1993	0	0%
1993-1994	0	0%
TOTAL HOURS/MINUTES OF STATION-PRODUCED NON-ENTERTAINMENT PROGRAMS OF ANY KIND	0:14	0.06%

Adams Exhs. 2-7.

67. The record contains detailed documentation supporting the quantitative

information contained in the foregoing tables. That documentation includes, for each of the 35 days of the five "composite weeks", the following:

- (a) A "Daily Analysis" sheet reflecting that day's individual totals of the listed types of programs;
- (b) Itemized listings of the programs (if any) for that day which are reflected on the "Daily Analysis" sheet;
- (c) Copies of the programming log of Station WTVE(TV) for the day in question.

Adams Exhs. 3-7. The quantitative information in the tables can therefore be doublechecked to confirm its accuracy on the basis of the underlying documents prepared, in most cases contemporaneously with the broadcast, by RBI personnel.

Shopping Network programs broadcast on Station WTVE(TV) during the relevant license term. Adams Exh. 2, Appendix A, Attachment 1. That listing was prepared on the basis of a review of substantially all of the station's program logs during that term. *Id.* During the license term, Station WTVE(TV) was an affiliate of the Home Shopping Network.

E.g., RBI Exh. 6, p. 2. In RBI's program logs, programming originated from the network was identified as "Home Shopping Network" programming or by the designation "NET" in the "Source" and/or "Type" columns on the log. *See, e.g.*, Adams Exh. 3, pp. 5-16, 95-102; Adams Exh. 5, pp. 22-26, 60-67. In the preparation of the comprehensive listing of all non-Home Shopping Network programs, a log entry was deemed to be a "Non-network Program" if (a) that entry was *not* specifically identified as originating from a network, and (b) the entry was not identified or identifiable from the log as another specific type of programming (e.g., Public Service Announcement (designated in the log as "PSA").

program promotional announcements (designated in the log as "PRA"), or commercials (designated in the log as "CM")). See Adams Exh. 2, Appendix A, p. 1; see also Tr. 1217.

- 69. There is, therefore, very substantial documentary evidence supporting the quantifications set forth in the tables above. Those quantifications are highly reliable and accurately reflect the programming performance of Station WTVE(TV) over the course of the license term.
- 70. RBI proffered a number of "spreadsheets" purporting to reflect a "composite week" analysis generally similar to the analysis set forth above, as well as a broader analysis of the station's overall programming, based on programs/issues lists prepared by station employees during the license term. *See* RBI Exh. 8; *see also* RBI Exh. 8, Appendices A and B; Tr. 23, 149.
- Most importantly, the calculations of "program" time, as distinct from "PSA" time, set forth in all of RBI's "spreadsheets" result from extensive and self-serving *post hoc* recategorization of certain programming. Years later, a paralegal working for RBI's communications counsel recharacterized as "programs" materials which RBI had described as public service announcements ("PSA") in the station's official program log at the time those materials were broadcast. Tr. 32-33; 144-145. In making those re-categorizations, RBI's counsel's paralegal did not demonstrate, or even suggest, that there was any error in the original log entries which RBI was effectively re-categorizing. Indeed, the re-categorization completely ignored the station's logs. There is no evidence that the

paralegal reviewed any tapes of the programming in question.

- The lists and the affidavits of performance are secondary sources derived from the station's programs/issues derived from the station's logs. Tr. 18-19. The programs/issues lists consisted of "blurbs" describing the station's programming. Tr. 144-145. If those "blurbs" expressly indicated that a particular item was a "PSA", Ms. Gilmore so categorized it; absent such an express indication, Ms. Gilmore felt free to treat such items as "programs". *Id*.
- 73. Ms. Gilmore did not explain why, on the one hand, she felt obligated to maintain the "PSA" designation if it appeared in the programs/issues lists, but on the other she felt no such obligation if that designation appeared in the station's logs themselves.

 Ms. Gilmore also failed to note that, even if an item which had been logged as "PSA" was not so designated in the programs/issues lists, that item WAS designated as a "PSA" or "public service announcement" in the affidavit of performance which accompanied those lists.
- 74. For example, according to the station's logs and affidavits of broadcast for the first quarter of 1994, "News To You", "Kids Korner" and "Community Outreach" each ran two minutes or more. *E.g.*, Adams Exh. 7, pp. 148-149; RBI Exh. 8, Tab U, *e.g.*, pp. 49, 57, 173. And the "blurb" descriptions of each of these items in the issues/programs list for the first quarter of 1994 made no reference to "PSA" or "public service announcement". RBI Exh. 8, Tab U, pp. 6-7, 8, 16-17. Thus, these were

presumably ²⁴ included as "programs", rather than "PSA's", in the spreadsheets included in RBI Exh. 8, Apps. A and B. But the affidavits of broadcast for each of these items clearly describe them as "Public Service Announcements" or "PSA's". RBI Exh. 8, Tab U, e.g., pp. 49, 57, 173.

- 75. This is not a quibble. The affidavits of broadcast establish that during the first quarter of 1994, "Kids Korner" PSA's amounted to more than 13 hours, or 780 minutes, of broadcast time. RBI Exh. 8, Tab U, pp. 166-180. "News To You" PSA's amounted to almost 10 hours, or 600 minutes, of broadcast time. RBI Exh. 8, Tab U, pp. 57, 136-145. "Community Outreach" PSA's amounted to more than 11 hours, or 660 minutes. RBI Exh. 8, Tab U, pp. 42-56, 58-72. Thus, those three PSA's along accounted for more than 2,000 minutes of broadcast time during that quarter.
- 76. As noted, each of these PSA's appears to fall within Ms. Gilmore's working definition of "program". ^{25/} But Ms. Gilmore's tabulations for the first quarter of 1994 indicate that RBI supposedly broadcast a total of 3,665.5 minutes of RBI-produced "programs" and 2,406.75 minutes of non-RBI-produced "programs", or approximately 6,000 minutes of "programs" in all. RBI Exh. 8, App. A, p. 18.
 - 77. But if "Kids Korner", "News To You" and "Community Outreach" were

RBI's spreadsheets do not include any particular itemization of the particular programming assigned either to the "program" or to the "PSA" category. It is therefore impossible to determine exactly what programming was thought by RBI to be included in each category. This flaw further undermines the reliability of RBI's spreadsheets.

RBI did not provide a list of all the specific "programs" included in the spreadsheet tabulations. As a result, the actual programming material on which those tabulations were based can be determined only by reference to Ms. Gilmore's testimony, as discussed in the text, above.

included as "programs" in Ms. Gilmore's tabulations, those items would represent 33% of all "program" minutes shown by Ms. Gilmore for that quarter. Since Ms. Gilmore's post hoc re-categorization of broadcast items as "programs" rather than "PSA's" is contradicted by extensive contemporaneous documentation contained in RBI's own exhibits, her post hoc re-characterization plainly inflated the extent of "programs" supposedly broadcast by RBI. RBI's own logs and affidavits establish conclusively that "Kids Korner", "News To You" and "Community Outreach" were, in fact, PSA's. Thus, it is clear that RBI's spreadsheet tabulations of "program minutes" are completely unreliable and entitled to no weight at all. ²⁶/

78. RBI's re-categorization of PSA's as "programs" constitutes an acknowledgement by RBI of the reliability of Adams's quantitative analysis. Adams's analysis established that RBI broadcast virtually no locally-produced "programs" and only a minuscule number of non-home shopping "programs" of any kind during the license term. *E.g.*, Adams Exh. 2, pp. 3-4. RBI's re-categorization seeks to obscure this aspect of the station's programming performance by casting PSA's as "programs". The figures reflected in RBI's "spreadsheets" are based on the re-categorizations undertaken, in 1999, years after the broadcasts, in preparation for this proceeding by Ms. Gilmore, who was never a station employee. Moreover, Ms. Gilmore's re-categorization is inconsistent with RBI's own records prepared contemporaneously with the programming in question. Accordingly, RBI's "spreadsheets" are unreliable and non-probative, and should be ignored.

²⁶ While Adams's discussion here focusses on the first quarter of 1994, that discussion illustrates a fatal flaw which infects *all* of RBI's spreadsheets tabulations.

(b) QUALITATIVE ANALYSIS

79. During the 1989-1994 license term Station WTVE(TV) did not produce any local programs directed to ascertained needs and interests. While the station did produce and broadcast a number of public service announcements, identified as "PSA" in the station's program logs, those announcements were, with a very small handful of exceptions, only two to three minutes in length. ²⁷/

(b1) **Programs**

80. For the first 39 months of the 60-month license term, from August, 1989 through October, 1992, the non-home shopping programs broadcast by Station WTVE(TV) consisted almost exclusively ²⁸/₂₈ of three non-local religious programs: "Today with Marilyn", "Jimmy Swaggert", and "Dr. Eugene Scott". Adams Exh. 2, Appendix A. In addition, during the first five months of the license term (from August, 1989 into early

During the 1989-1990 composite week listed above in Paragraph 64, only four PSA's ran longer than two minutes, and those four ran only three minutes. Adams Exh. 3, pp. 112, 115, 117, 119. During the 1990-1991 composite week, only three PSA's ran longer than two minutes, and those ran two and one-half minutes each. Adams Exh. 4, pp. 7, 9, 12. During the 1991-1992 composite week, only two PSA's ran longer than two minutes, and those ran three minutes each. Adams Exh. 5, pp. 116, 120. During the 1992-1993 composite week, only three PSA's ran longer than three minutes; those ran three and one-half minutes each. Adams Exh. 6, pp. 117, 118, 120. And during the 1993-1994 composite week, only six PSA's ran longer than three minutes -- two ran four minutes each, the other four ran three and one-half minutes each. Adams Exh. 7, pp. 54, 61, 103, 129, 131, 150.

The limited exceptions consisted of program-length infomercials (e.g., "Personal Money Machine", "Hobel Kitchen Slicer", see Adams Exh. 2, Appendix B) and the oncea-year broadcast of various programming on Christmas Eve or Christmas Day (e.g., "Chaplain Ray's Christmas Concert", "The Talleys: A Family Christmas", "Carols of Christmas", see Adams Exh. 2, Appendix A, pp. 20-21).

January, 1990), a number of log entries were identified as "NF" in the "Type" column of the station's program logs. *See* Adams Exh. 2, Supplemental Attachment to Appendix A, which lists all such entries; *see also* Footnote 20, above.

- 81. "Today With Marilyn" was a 30-minute program produced by the Marilyn Hickey Ministries in Colorado, which paid RBI to broadcast the program. Adams Exh. 2, Appendix B, p. 2. The program was **not** included in *any* of RBI's Quarterly Lists as having been responsive in any way to any perceived community need or interest. No information provided by RBI suggests that this program included the discussion of any news or public affairs.
- program featuring Jimmy Swaggert, a famous minister. Although this program was broadcast from January, 1992 through the end of the license term, it was not listed in any Quarterly Lists during the license term except for the Quarterly Lists for the fourth quarter of 1992 and the first quarter of 1993, both of which happened to be submitted to the Commission, *see* Footnote 29, below. No information provided by RBI suggests that this program included any discussion of news or public affairs. *See* Adams Exh. 2, Appendix B.
- 83. "Dr. Eugene Scott" was a program provided by Dr. Scott's organization.

 Although this program was broadcast for a period in 1990 and then continuously from mid1992 through the end of the term, it was not listed in any Quarterly Lists other than the
 fourth quarter of 1992 and the first quarter of 1993. No information provided by RBI
 suggests that this program included any discussion of news or public affairs. See Adams

- Exh. 2, Appendix B. This program was broadcast at the instruction of Mr. Parker, although the station's programming staff did not believe that the program provided any public service, the station itself received no payment in exchange for the broadcast, and the station had to preempt revenue-producing home shopping programming to make room for the Dr. Scott program. Tr. 1719-1725. Moreover, the broadcast of the Dr. Scott programming gave rise to "a lot" of complaints from members of the audience. Tr. 1723.
- who mailed them to the station. RBI Exh. 8, Tab C, p. 3. The station would then "tag" the recording with a "localized title" and broadcast it. *Id.* In its quarterly reports for the third and fourth quarters of 1989, RBI listed various "NF" items as having been responsive to ascertained needs and interests. For example, "Italian Bread & Cheese", a two-minute item described by RBI as "a feature [which] dished up a delicious Italian recipe", was listed as responsive to "Health Issues". RBI Exh. 8, Tab C, p. 5. "Flat Tire Remedy", another two-minute item which "reviewed a new idea in flat tire repair" and which was broadcast more than 40 times during the third and fourth quarters of 1989, was listed as responsive to "Consumer Issues". *Id.* at p. 11; Tab D at 9. Even if RBI did believe these "NF" features to be responsive to ascertained needs and interests of its service area, RBI discontinued these features in January, 1990. Adams Exh. 2, App. A (including Supplement).
- 85. In the Fall, 1992, two developments which affected the station's programming occurred. First, the Cable Television Consumer Protection and Competition Act of 1992 was enacted in October, 1992. That act altered the "must carry" obligations

imposed on cable television operators. Additionally, it required the Commission to initiate a proceeding to determine whether home shopping broadcast stations should be entitled to "must carry" status on cable television systems. Pursuant to that Congressional direction, the Commission issued a Notice of Proposed Rule Making ("NPRM") in MM Docket No. 93-8, 8 FCC Rcd 660 (1993). ^{29/}

Station WTVE(TV) to obtain and maintain cable carriage. *See* RBI Exh. 6, p. 3. In approximately 1993 Mr. Bendetti and Mr. Mattmiller perceived the potential difficulties. Tr. 1681-1682. The station's predicament was exacerbated because cable systems could obtain home shopping programming directly from the network source, without having to carry the over-the-air signal of Station WTVE(TV). Tr. 1682. As a result, Messrs. Bendetti and Mattmiller determined that, in order to differentiate the station's programming from other home shopping programming available for cable carriage, the station should

²⁹ In response to the NPRM, on March 29, 1993, RBI submitted materials which included quarterly issues/programs reports for the fourth quarter of 1992 and the first guarter of 1993. Adams Exh. 17, pp. 56-76, 295-314. The format of those two guarterly reports varied significantly from the quarterly reports which had been prepared previously and also from the quarterly reports which were prepared subsequently. Compare, e.g., RBI Exh. 8, Tab C (a pre-Fourth Quarter, 1992 quarterly report) and RBI Exh. 8, Tabs W (a post-First Quarter, 1993 quarterly report) with Adams Exh. 17, pp. 54-314 (the quarterly reports for the Fourth Quarter, 1992 and First Quarter, 1993, which were submitted to the Commission by RBI). In the two reports which it chose to submit to the Commission, RBI indicated that the Scott and Swaggert programs were responsive to the ascertained issue of "religion". Adams Exh. 17, pp. 72-73, 313-314. However, although the Scott and the Swaggert programs continued to be broadcast through the remainder of the license term, and although "religion" was an "issue" included in each of RBI's quarterly reports through the end of the license term, no quarterly report other than the two submitted by RBI to the Commission in March, 1993, contained any indication that the Scott and/or Swaggert programs were in any way responsive to any ascertained issue.

attempt to present programming which appeared to target the station's viewing area. Tr. 1682, 1695.

- 87. While Mr. Parker was interested in increasing the station's cable carriage, he resisted the addition of programs which, in Mr. Bendetti's view, would "help" with the station's "public service" but which would require the preemption of home shopping programming. Tr. 1712-1713. 30/
- 88. Still, Mr. Bendetti's efforts to make the station more attractive to cable systems led to some increase in the number of nonentertainment programs aired by the station during the last year of the license term. The additional programs included a number of one-half hour programs produced and provided by the Republican and Democratic parties, including "Legislative Journal", "Legislative Report" and "State House Perspectives". See, e.g., Tr. 1693-1695; RBI Exh. 6, p. 6. Ms. Bradley also mentioned "Agenda for Action" as an instance of "government affairs programming". RBI Exh. 8, p. 7.
- 89. The station made little effort to affirmatively seek out such programs based on their content. To the contrary, Mr. Bendetti testified that he happened to notice some of these programs on a cable system, he learned that they were prepared by the Republican

we talked to [Mr. Parker] about what kind of programs that we could get on the station, even though we may have to pre-empt the home shopping club or the infomall folks in order to get these programs on, but they would help us. They would help us get on these different cable systems and we could put these public affairs type shows on. And he didn't want to really give up the revenue. He wanted to stay with what we had.

^{30/} According to Mr. Bendetti,

and Democratic parties in Harrisburg and that a former college acquaintance of his was involved in their distribution, and he asked her to include Station WTVE(TV) on the distribution list of the tapes. Tr. 1693-1694. At least some of the shows had been in production since the late 1970s, RBI Exh. 33, p. 9. The shows were not solicited by Mr. Bendetti for their particular content. In fact, no evidence in the record suggests that the station was aware of the topics addressed in any of these programs prior to their broadcast. The purpose of adding these programs to the station's broadcast schedule was not to provide programming service to the station's audience. Rather, the purpose was to increase the likelihood of cable carriage of the station. According to Mr. Bendetti,

we wanted to have more things on the station other than the home shopping club. That way with the must carry laws that just came into place in '92, we were trying to get on these different cable systems and we wanted to show them that we had programming on other than the home shopping club that people in our viewing area could relate to that would find to be important. So, that's why we got those shows.

Tr. 1695. These programs were provided at no cost to the station. Tr. 1696.

- 90. These programs were not intended to address any particular ascertained issue(s). There is no evidence that RBI even knew the subject of any of the shows prior to broadcast. And in RBI's quarterly reports, all of these shows were lumped together under the "issue" of "government". *E.g.*, RBI Exh. 8, Tab S, pp. 25-28.
- 91. Further, the evidence establishes that none of these programs were regularly or consistently scheduled for broadcast at a particular time.
- 92. For example, from its inception in July, 1993 through the end of the license term, a total of one year, "Legislative Journal" was broadcast a total of nineteen times.

 Adams Exh. 2, pp. 57-70. But the broadcast time of "Legislative Journal" changed at least

nine times during that period. "Legislative Journal" first aired on July 11, 1993, at 9:30 a.m. On August 1 and 15, 1993, it was broadcast at 10:00 a.m., but on October 10, 1993, it reverted to 9:30 a.m. On November 14, 1993, it moved to 10:30 a.m., where it remained on December 5, 1993 and January 16, March 6, and March 13, 1994. But on April 3, 1994, it moved to Noon, only to return to 10:30 a.m. on April 10. On May 1 and 15, 1994, it moved again to 11:00 a.m., but shifted back to Noon on May 29, 1994. On June 12, 1994, it moved again to 11:00 a.m., where it remained on June 25, 1994, only to move back to 10:30 a.m. on July 3, 16 and 24, 1994. Adams Exh. 2, App. A. 31/

- 93. "State House Perspective" was subject to similar juggling. It was broadcast a total of seven times during the last year of the license term. *Id.* Its broadcast time changed four times, moving from 9:30 a.m. in August and September, 1993, to 10:30 a.m. in November and December, 1993, then to 11:00 a.m. in January and March, 1994, then back to 10:30 a.m. in April, 1994, then to 10:00 a.m. in June and July, 1994. *Id.*
- 94. The same was true of "Agenda for Action", which was broadcast: at 9:30 a.m. on May 30, 1993; at 10:00 a.m. once in June, 1993; not at all in July, 1993; at

The broadcast times of "Legislative Journal" and the other programs discussed in Paragraphs 92-95, above, were determined from a review of RBI's program logs. Adams Exh. 2, App. A. While affidavits of broadcast relative to some of the 1994 broadcasts of these programs were included in RBI Exh. 8, Tab V, pp. 322-334, 336-337, Adams was unable to find any affidavits for the same programs in the 1993 materials included in RBI Exh. 8. The affidavits of broadcast which are included in RBI Exh. 8, Tab V, are consistent with the broadcast time entries determined by Adams in its review of the station's program logs.

9:30 a.m. on August 8, 1993, but at 10:00 a.m. on August 22, 1993; at 9:30 a.m. twice in September, 1993 and once in November, 1993 (but not at all in October, 1993); at 10:30 a.m. once each in December, 1993 and January, 1994; at 9:30 a.m. once in February, 1994; not at all in March, April or May, 1994; and at 10:30 a.m. in June, 1994. *Id*.

95. Over the same period, the broadcast time of "Legislative Report" changed 20 times. The following is a partial list of the times and dates on which "Legislative Report" aired between July, 1993 and July, 1994:

Date	Time
8/1/93	9:30 a.m.
8/7/93	8:30 a.m.
8/22/93	9:30 a.m.
9/12/93	10:00 a.m.
10/3/93	9:30 a.m.
10/31/93	10:30 a.m.
11/14/93	11:00 a.m.
12/5/93	10:00 a.m.
12/12/93	9:30 a.m.
12/19/93	10:00 a.m.
1/9/94	9:30 a.m.
2/6/94	10:30 a.m.
2/13/94	9:30 a.m.
3/20/94	11:00 a.m.
4/24/94	11:30 a.m.
5/8/94	11:00 a.m.
6/4/94	11:30 a.m.
6/11/94	9:30 a.m.
6/18/94	10:30 a.m.
7/17/94	11:30 a.m.
7/31/94	11:00 a.m.

Id.

96. Despite RBI's interest in increasing its potential attractiveness to cable

systems by increasing its emphasis on supposedly local programming, RBI did not produce any local programs even after the "must-carry" question came to the fore in the Fall, 1992 and thereafter

- 97. The second development which occurred in the Fall, 1992, was the advent of the Children's Television rules. Mr. Bendetti recalled that those rules became effective in the Fall, 1992. Tr. 1692. Prior to that date, RBI had provided no programs at all directed to children. In order to comply with its statutory and regulatory obligations, RBI did begin to broadcast such programs in November, 1992. *Id*.
- 98. Mr. Bendetti, who as Program Director was responsible for arranging for appropriate programming, testified that he sought out "FCC-friendly" children's television programs. Tr. 1771. He could not find much available programming, so when he located some that was available, he took it "as long as they would send us the show, we didn't have to pay for it and didn't have any kind of requirements as far as running commercials." Tr. 1772.
- 99. Mr. Bendetti denied the assertion that RBI had selected its children's programs as "the most appropriate for the station's child audience." Tr. 1773-1774. He testified as follows:
 - Q: [I]s it fair to say that the [station's] staff reviewed samples of shows and picked the shows that they felt were the most appropriate for the station's child audience?
 - A: No, not really. It wasn't many shows available to us. We just pretty much had to take what we could get out there. It wasn't a lot of shows that were available because of us being in the Philadelphia market. Unfortunately, WTVE, even though it's 60 miles away from Philadelphia, it's considered to be a Philadelphia TV station. And all the good kid's programs were on all the stations in Philadelphia.

So, there was really nothing left for us to air that was considered to be FCC friendly. These were just a few of the ones that we found out there that I either found or George Mattmiller may have found that we could get that wouldn't cost us any money. And that we considered to be FCC friendly.

Tr. 1773-1774. In so testifying, Mr. Bendetti made specific reference to the programs "Widget", "Twinkle" and "Adventure Pals". Tr. 1771-1772. Mr. Bendetti's testimony contradicted the written testimony of Mr. Mattmiller, which indicated that those programs had been broadcast on Station WTVE(TV) "to meet the needs of children derived through the station's ascertainment efforts." RBI Exh. 6, p. 8. Mr. Bendetti's testimony establishes that, in broadcasting those programs, RBI was simply seeking to air "FCC-friendly" material without regard to any children's interests the station may have ascertained.

- 100. In her written testimony, Ms. Bradley included a list of "short-form (2-4 minute) public service programming". RBI Exh. 8, pp. 1-3. Ms. Bradley sought to distinguish these items from "public service announcements", which she described at pages 3-6 of her testimony. But the record reflects that each of the "short-form public service programming" items mentioned by Ms. Bradley was logged as "PSA" by RBI at the time of broadcast and was shown on the relevant affidavit of broadcast as "PSA" and was therefore a public service announcement.
- 101. The items listed by Ms. Bradley as "public service programming" included "Streetwise", "News To You", "In Touch", "Health Report", "Community Outreach", "Take 3", "Elderly Report", "Kids Korner", "For The People", and "Informative Moment". RBI Exh. 8, pp. 3-6. Log entries and/or affidavit entries confirming that these were deemed by the station to be PSA's appear in the record as follows:

Item	Log Entry	Affidavit of Broadcast
Streetwise	Adams Exh. 3, p. 9	Not Available
News To You	Adams Exh. 6, pp. 42, 44, 120	RBI Exh. 8, Tab W, pp. 52-53
In Touch	Adams Exh. 6, pp. 41, 43, 44	RBI Exh. 8, Tab Q, p. 24
Health Report	Adams Exh. 6, pp. 21, 80	RBI Exh. 8, Tab Q, pp. 32-34
Community		
Outreach	Adams Exh. 6,	RBI Exh. 8, Tab W,
	pp. 84, 117, 118	pp. 172-200
Take 3	Adams Exh. 6, pp. 97, 115	RBI Exh. 8, Tab W, p. 207
Elderly		
Report	Adams Exh. 6, pp. 41, 43	RBI Exh. 8, Tab W, p. 155
Kids Korner	Adams Exh. 6, pp. 97, 117	RBI Exh. 8, Tab W, pp. 222-232
For the		
People	Adams Exh. 6, pp. 7, 147, 153	RBI Exh. 8, Tab W, p. 236
Informative		
Moment	Adams Exh. 7, pp. 11, 152	RBI Exh. 8, Tab W, p. 146

Thus, Ms. Bradley's testimony concerning supposed "programs" is inconsistent with the documentary evidence prepared by the station's staff at the time of the broadcasts in question. Her testimony is unreliable, and should be disregarded.

(b2) **PSA's**

- 102. The station did broadcast PSA's, a number of which were locally-produced. The record establishes that the station's PSA programming arose partly from its ascertainment efforts and partly from review of various programming materials made available to the station by, e.g., satellite programming distributors. Tr. 459-462. Some PSA's were received in the mail from outside sources. Tr. 1675.
- any RBI officers, directors or shareholders, undertook various "ascertainment" efforts. *E.g.*, Tr. 457. Those included: clipping materials from the local newspaper, *e.g.*, RBI Exh. 6, pp. 3-4; Tr. 455, 572, 1700; distributing "generic ascertainment sheets" to students at schools, Tr. 1698; review of unsolicited information mailed to the station by outside sources, RBI Exh. 6, p. 5, Tr. 1734, 459; and inquiries made by station staff to various persons who visited the station, Tr. 1698.
- 104. Despite these ascertainment efforts, the record reflects that the contents of the station's PSA's were determined to a significant degree without considering the ascertainment efforts. For example, Mr. Bendetti testified as follows:
 - Q: . . . was the choice of putting those types of programs on the air influenced by the ascertainment results that you had received?
 - A: No, like I said, occasionally it would. But most of the time, again, it was things that came in the mail. You know, we'd see them, we'd say, hey, this could probably make a good show or the Rice Council was coming through this part of the states and they were going to do some shows on how to cook rice and how to eat healthy during the summer.

It was generally things that came over the fax or in the mail that were somewhat, I guess, convenient and topics that caught the eye of, say, George Mattmiller, Kim Bradley or myself.

Tr. 1734. As a result, the extent to which the station's PSA's were actually chosen, prior to production, in response to some specific, previously-ascertained need or interest cannot be determined with any reliability.

- broadcast repeatedly for years. For example, a PSA entitled "Keystone Safety Belt Network" is described in, *inter alia*, the issues/programs lists for the First Quarter, 1990, RBI Exh. 8, Tab E, p. 3, and the Fourth Quarter, 1993, RBI Exh. 8, Tab T, p. 34. Review of the station's logs and affidavits of broadcast indicates the such repetition was the rule, not the exception.
- 106. But even if the station's PSA's were deemed, *arguendo*, to be consistently responsive to ascertained interests, the record reflects that the station broadcast those PSA's on a random basis. Ms. Bradley testified that, with certain exceptions, the station's PSA's were broadcast on a "run of schedule", or "ROS", basis. Tr. 112-115.

 Announcements so broadcast were not assigned any regular placement in the station's schedule, but were simply placed in the rotation of the station's break schedules. Tr. 113.

 As a result, the viewing audience had no way of knowing when any particular announcement was going to be broadcast. Tr. 73, 78, 113-116. 32/
 - 107. The random nature of the broadcast of PSA's is apparent in the primary

^{32/} According to Mr. Bendetti, this situation was the source of a number of complaints from persons who had participated in the preparation of one or another PSA and wanted to know when that PSA was going to be broadcast. Tr. 1746-1747. Mr. Bendetti testified that those complaints led the station's staff to make videotape copies of the PSA's for the participants, because those participants would say, "I'm not going to try to watch the station, I don't to watch [sic] the home shopping club, just, you know, can you run me off a VHS copy". Tr. 1747.

documentary evidence of the station's programming, *i.e.*, the program logs included in Adams Exhs. 3-7. These contradict the testimony of Mr. Mattmiller and Ms. Bradley in certain respects. Mr. Mattmiller, for example, described "Kids Korner", a PSA, as locally-produced programming specifically directed to the needs of children. Tr. 76. When asked how the target audience, children, would be aware of the broadcast of such programming, Mr. Mattmiller was unable to provide a coherent response, although he did indicate that the information might somehow be disseminated in a "word-of-mouth" manner. Tr. 76-78.

108. In addressing the scheduling of PSA's for children (including "Kids Korner", see Tr. 76), however, Mr. Mattmiller stated unequivocally that

we wouldn't be putting children's programming in the middle of the night. I mean, we're not talking about just -- just throwing stuff up to the, you know, to the whims of traffic.

Tr. 77. He further stated for emphasis that

that process was ongoing, and it did include when it was scheduled, when --when would the greatest period of time during the day be when kids would be watching television, okay? Certainly we're not going to put anything on relative to that in the middle of the night, so thought and care was given to that aspect.

Tr. 78.

109. But the composite week logs included in Adams Exhibit 7 reflect that on at least two dates, October 1, 1993 and April 6, 1994, "Kids Korner" was scheduled for broadcast, and was in fact broadcast late at night, at 11:22 p.m. and 11:18 p.m., respectively. Adams Exh. 7, pp. 12, 109. Moreover, review of the affidavits of performance included in RBI Exhibit 8 indicates that those two instances were not

aberrational: "Kids Korner" was broadcast after 11:00 p.m. no fewer than seven times (including the April 6 instance noted above) during the second quarter of 1994 alone. RBI Exh. 8, Tab V, pp. 257, 258. Those affidavits also show that "Kids Korner" was broadcast between 10:00-11:00 p.m. on at least seven separate occasions during that same quarter. RBI Exh. 8, Tab V, pp. 254, 257, 258, 259.

- 110. The documentary evidence prepared contemporaneously with the actual broadcasts thus indicates that Mr. Mattmiller's testimony concerning RBI's supposed efforts to target its children's programming was not reliable.
- emphasized that RBI did not "relegat[e] public service programming to the 'graveyard shift'". RBI Exh. 8, p. 9. But review of the program logs for the composite week described above in Paragraph 64 establishes that PSA's did in fact routinely air during the period Midnight-5:00 a.m. *See, e.g.*, Adams Exh. 3, pp. 5-7, 44, 64-65, 96, 112; Adams Exh. 4, pp. 56, 21-22, 36-37, 57-58, 70-71, 89-90; Adams Exh. 7, pp. 5-6, 22-24, 51-53, 77-79, 98-100, 121-123, 142-144. During the 1989-1990 composite week, slightly fewer than 10% of the station's PSA's were broadcast between Midnight-5:00 a.m.; during the 1990-1994 composite weeks, that level tripled to about 30%. *Id.* While RBI did broadcast PSA's during non-"graveyard hours", *i.e.*, the 5:00 a.m.-Midnight period, RBI apparently took no steps to prevent or minimize their broadcast during the early morning period, contrary to Ms. Bradley's assertion.

(b3) RELIANCE ON PSA'S IN LIEU OF PROGRAMS

- 112. The record is clear that RBI elected through most of the license term *not* to present non-home shopping programs other than Dr. Scott and other non-local religious programs, some infomercials, and once-a-year Christmas programming. Instead, it chose to provide nothing more than PSA's, which RBI described as "PSA" in its program logs and broadcast affidavits, but which RBI now euphemistically refers to as "short-form" programming "segments". RBI Exh. 8, p. 1.
- presentations to three minute (or less) PSA's, as opposed to program-length presentations. Ms. Bradley referred to the number and length of breaks which the station was allowed under its affiliation agreement with the Home Shopping Network. Tr. 104. When asked whether the network affiliation agreement provided any opportunity to expand local non-network programming beyond the five-minute and two-minute hourly breaks specified in that agreement, Ms. Bradley responded that she did not know: "All I know is that is what was given to me". Tr. 104.
- 114. When Mr. Mattmiller was asked whether anything in the network affiliation agreement precluded RBI from providing public service programming 30-minutes or 60-minutes in length, he declined to answer, noting that he had not negotiated the agreement. Tr. 602. He suggested that Mr. Parker would be the appropriate person to whom to address that question. *Id*.
- 115. When Mr. Parker was also asked why the station chose not to air programs as opposed to PSA's, he responded:

. . . at this point of time, we were running home shopping as a format. And if you have ever been involved in preempting programming of any kind on any station, unless it is a regularly scheduled program that people are used to, you get far more calls from the preemption than you do from your normal programming, unless it's something like the Super Bowl. But even then, you would get people calling and complaining if you preempted their programming.

. . . It is more effective, in my opinion, to approach community issues on the PSA format than it is having a talking head half-hour with the Mayor because people would watch the PSA. They will turn the channel if you go a half hour format.

Likewise, I also have to be realistic. I had a TV station that was in bankruptcy, and I needed every dollar that it could get.

Tr. 848-849. Mr. Parker's response indicates that, contrary to the suspicions articulated by Mr. Mattmiller and Ms. Bradley (*see* Paragraphs 113-114, above), RBI was not limited by its affiliation agreement; rather, the decision to rely on PSA's in lieu of programs was a voluntary one made by Mr. Parker and RBI.

116. This is further supported by the evidence. For eight days in May-June, 1990, RBI broadcast nine hours per day of Dr. Gene Scott's program for which RBI itself received no payment. See Adams Exh. 2, Appendix A, pp. 12-13; Tr. 1722-1723. The Dr. Scott program returned to the station's schedule in June, 1992, usually for at least 90-120 minutes per week, again without any payment to RBI. See Adams Exh. 2, Appendix A, pp. 40-71. The station also broadcast the 60-minute Jimmy Swaggert program and the 30-minute "Today With Marilyn". Similarly, when, in late 1992, RBI faced its obligations to provide children's programs, RBI was able to schedule an hour or more of such programming per week. See, e.g., Adams Exh. 2, App. A, e.g., pp. 48-71. So, too, in mid-1993, when Messrs. Bendetti and Mattmiller sought to increase non-home

shopping programming in order to enhance the station's ability to secure cable carriage, RBI was able to preempt home-shopping programming. See, e.g., id.; Tr. 1711-1712. The record thus establishes that RBI was able to preempt home shopping programming in favor of full-length programs of RBI's choosing.

- 117. So RBI deliberately chose to not present one or more regularly scheduled, locally-produced programs on community needs such as regularly scheduled interviews and discussions on local issues with local civic leaders. As indicated in the testimony quoted in Paragraph 115, above, Mr. Parker explained that that policy decision was based on concerns about potential viewer reaction to any preemption of home shopping programming, as well as the potential adverse financial effect of such preemption.
- 118. But that explanation is doubly inconsistent with the evidence. According to Mr. Bendetti, Mr. Parker personally ordered the preemption of home shopping programming for the Dr. Scott show, although: (a) there was substantial adverse viewer reaction to the Scott program; and (b) the station itself received no compensation for the broadcast of the Scott show. Tr. 1722-1723.
- 119. Mr. Parker's actions belie his testimony. While he testified that he was not inclined to preempt home shopping programming because of the possibility of adverse viewer reaction, Tr. 848-849, he did do precisely that, but in favor of Dr. Scott, *not* any locally-oriented, locally-produced public service programs. And while he testified about his concern about possibly losing money because of such preemption, *id.*, he personally ordered the preemption in favor of Dr. Scott even though the station lost revenue as a result. Tr. 1719-1725. Moreover, the decision to preempt home shopping in favor of

Dr. Scott was made over the protests of Mr. Bendetti, *i.e.*, in the full knowledge of the complaints of viewers. Tr. 1723.

(b4) NEWS PROGRAMMING

120. At no time during the license term did RBI provide any locally-produced, locally-oriented news programs. Mr. Parker testified that

[i]t was my judgment that the market served by WTVE would not support program-length newscasts on WTVE. However, viewers in WTVE's service area were able to receive news from all of the major television network stations in Philadelphia . . .

Given the amount of competition that WTVE would face and the station's limited coverage, any attempt to compete with program-length news on WTVE would have doomed the station's financial viability, which already was weak.

RBI Exh. 5, pp. 1-2. Mr. Parker provided no explanation for his "judgment" in this regard. The record does not show that he had any experience with local news operations upon which he might have formed such a judgment. 33/

121. By contrast, the record contains at least two indications that a local news operation would not have had the dire effects about which Mr. Parker speculated. Station WTVE(TV) had provided a local news service in the early years of its operation, although that service was discontinued when the station adopted a "pay-television" format in the mid-1980s. Adams Exh. 48, pp. 8-10. The original principals of RBI thus had first-hand

As noted above, Mr. Parker's broadcast "experience" consisted of, at most, constructing stations or assisting bankrupt stations to resume operation. See Paragraphs 34-35, above. No evidence indicates that he had any first-hand experience with news programming, and the generally absentee approach he took to his involvement with Station WTVE(TV) during the license term indicates that he did not, as a matter of course, involve himself in day-to-day programming operations. Tr. 825, 1668, 1701.

experience with local news. According to the minutes of a meeting of RBI's Directors on May 8, 1990, Dr. Henry Aurandt, one of RBI's original principals, stated that "the local news was always successful on a financial basis for the Corporation." Adams Exh. 14, pp. 64-65. 34/

- 122. In addition, David Baldinger, a community witness, testified that he was an employee of Station WTVE(TV) from approximately January, 1980 to June, 1982. Adams Exh. 48, p. 5. He assisted in the construction of the station in 1980, and during his tenure he was responsible for "anything that went on the air". *Id.* at p. 6. Mr. Baldinger testified that, during his tenure, the station provided two local news broadcasts each weekday, at 5:00 a.m. and 10:00 p.m., with two-minute updates during the evening and on weekends. *Id.* at p. 7. The station's news operation covered local stories, including City Council meetings, County Commissioner meetings, local elections, local criminal enforcement activities and the like. *Id.* at p. 7-8.
- 123. Mr. Baldinger acknowledged that, in 1982, the station was experiencing financial difficulties. *Id.* at p. 6. Still, Mr. Baldinger stated that, in his opinion, the station's news operation was sustainable. *Id.* at p. 11. According to Mr. Baldinger, the station's financial difficulties arose from programming decisions unrelated to the news operation. *Id.*
 - 124. Mr. Baldinger observed that, shortly after Station WTVE(TV) began its

³⁴ Contrary to Mr. Parker's testimony, the record shows that, while he may have been aware of some doubt about the viability of a local news operation on one occasion in May, 1990, on other occasions both before and after that instance the station, under Mr. Parker's control, contemplated re-initiation of news service. See Paragraphs 47-49, above.

local newscast, Station WLYH(TV), Channel 15, Lebanon, Pennsylvania also began covering Reading news; WLYH's competing coverage stopped shortly after

Station WTVE(TV) ended its local news. *Id.* at 9-10. Mr. Baldinger identified only one other television station, Channel 69, Allentown, as providing any coverage of local Reading news, and that coverage was, according to Mr. Baldinger, "infrequent." *Id.* at p. 9. Mr. Baldinger also reviewed the list of other media which appears in the record as RBI Exhibit 5, Appendix A. While he agreed that a number of the media included on that list are sources of news for residents of the Station WTVE(TV) service area, he testified that he did not believe any of those sources with which he was familiar provide news of particularly local interest to Reading. *Id.* at pp. 13-14.

- 125. Mr. Bendetti testified that during the 1989-1994 license term, there was no regular television coverage of local Reading news and events. Tr. 1753-1754. According to Mr. Bendetti, the station received complaints from the community, such as:
 - ... TV 51, how come you guys don't go out and cover anything. You used to have news, you used to have a newscast, it was great. How come the city the size of Reading can't have a newscast when you have Lancaster is about the same size, that can have a newscast. Allentown's got their own newscast.

So, we used to -- we see those complaints all the time. Usually, those were from people that we came across on the street, or if we had guests come into our studio that remembered the TV station the way it was earlier when we had news.

Tr. 1746.

126. During her testimony, Ms. Bradley testified that the station would interrupt its regular programming to provide EAS, or Emergency Alert System, information.

Tr. 114. At least one notable example in the record indicates that that testimony was not

accurate.

- 127. As stated, in January, 1994, Reading suffered the strongest earthquake in the area's history and one of the strongest ever on the east coast. *See* Paragraph 54, above. According to Mr. Loos, the Emergency Management Coordinator for Berks County, the EAS was invoked by him the evening of the earthquake. Adams Exh. 44, pp. 20-21. At the time, the county's 911 communications center was "locked up" because "everybody in the county was on their phone trying to figure out what was happening". *Id.* The EAS was invoked to ask citizens to "stay off the phones" and to "advise[] them there had been an earthquake." *Id.*
- 128. The record contains no indication that Station WTVE(TV) transmitted any EAS notification about the earthquake to its audience. To the contrary, the record establishes conclusively that the station broadcast no information at all about the earthquake. See Paragraphs 55-56, above.
- 129. The record contains excerpts from the *Reading Eagle*, the local daily newspaper in Reading. Adams Exh. 3, pp. 18-24, 37-39, 53-60, 73-76, 89-91, 105-108, 121-123; Adams Exh. 4, pp. 15-18, 30-32, 46-53, 64-67, 80-85, 96-99, 113-117; Adams Exh. 5, pp. 16-19, 31-37, 51-56, 69-73, 87-93, 107-113, 126-131; Adams Exh. 6, pp. 14-17, 30-33, 47-53, 66-74, 87-91, 104-108, 122-125; Adams Exh. 7, pp. 14-18, 36-47, 64-72, 90-96, 111-117, 133-137, 155-161. The dates of the excerpts correspond to the composite weeks dates listed in Paragraph 64 above, as well as the several days before each such date. Thus, the record reflects the matters which the *Eagle* viewed to be newsworthy to the residents of Reading throughout the license term. Community witnesses

p. 10; Adams Exh. 46, p. 8. Mr. Baldinger testified that the news covered by the station when it featured a newscast corresponded to the news covered in the *Eagle*, Adams Exh. 48, p. 8.

130. The excerpts from the *Eagle* reflect the following locally newsworthy events which occurred within two-three days of composite week dates:

Date(s) of Publication	Events described in Eagle
9/29-10/2/89	Berks County Commissioners approve "host fees" amounting to \$11 million from operation of two landfills
	Berks County drug task force police officer fired for shooting a television set in the Reading offices of Berks County Narcotics Information Center
1/18-1/21/90	Warning that 900 pounds of mercury may have leaked at municipal sewage treatment plant
	Berks County reverses personal property tax policy after public outcry
2/24-2/27/90	Berks County Commissioners consider \$48 million to \$65 million bond issue
4/4-4/6/90	U.S. Senate approves Clean Air Act reform
7/16-7/19/90	\$20 million low-interest loan approved for improvements to Reading water system.
1/18-1/21/91	Iraqi missile attacks on Israel
2/24-2/28/91	Ground war in the Persian Gulf
3/11-3/14/91	Temporary protection-from-abuse order issued against Rep. Caltagirone following accusations by his wife of violence dating to 1972, including pointing a gun at her